TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 1343 – SB 1237

March 7, 2011

SUMMARY OF BILL: Authorizes initial eligibility for the Hope Scholarship for home school graduates if they have achieved any of the following: a high school grade point average of 3.0, a composite ACT score of 21, or a combined SAT score of 980. Current law requires the home school graduate achievement to be either a composite ACT score of 21 or a combined SAT score of 980.

ESTIMATED FISCAL IMPACT:

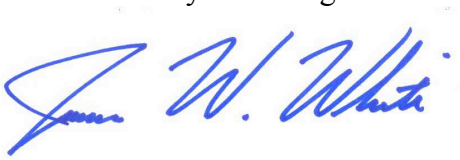
Increase State Expenditures - $672,000/FY11-12/Lottery for Education Account
$1,014,000/FY12-13 and Subsequent Years/
Lottery for Education Account

Assumptions:

- For FY11-12, the Tennessee Student Assistance Corporation (TSAC) estimates that 245 home school graduates will have earned a 3.0 grade point average, but such graduates will not have achieved either a composite ACT score of 21, or a combined SAT score of 980. Therefore, 245 additional home school graduates will become eligible for the Hope Scholarship during FY11-12.
- Of the 245 home school graduates, TSAC indicates that approximately 91 will attend eligible four-year institutions (each with an annual award of $4,000), and 154 will attend eligible two-year institutions (each with an annual award of $2,000).
- The increase in state expenditures from the Lottery for Education Account for FY11-12 will be $672,000 [(91 x $4,000) + (154 x $2,000)].
- TSAC indicates there will be 245 new home school graduates to qualify for the Hope Scholarship in FY12-13, and 111 from FY11-12 will retain the Hope Scholarship in FY12-13 (for a total 356 students). This number is assumed to remain constant in subsequent years.
- Of the 356 home school graduates, TSAC indicates that approximately 144 will attend eligible four-year institutions (each with an annual award of $4,000), and 219 will attend eligible two-year institutions (each with an annual award of $2,000).
- The recurring increase in state expenditures from the Lottery for Education for FY12-13 and subsequent years will be $1,014,000 [(144 x $4,000) + (219 x $2,000)].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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